

Message Text

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PAGE 01 NEW DE 05801 140840Z
ACTION NEA-10

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07 SP-02
SS-15 STR-07 TRSE-00 ACDA-12 PA-01 /127 W
-----007867 150542Z /10

R 140605Z APR 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 901
INFO USDOC WASHDC
AMEMBASSY COLOMBO
AMEMBASSY ISLAMABAD
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

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DEPT PLEASE PASS TO DOE, USBURMINES

E.O. 11652: N/A
TAGS: ENRG, CE, IN, PK
SUBJECT: CALTEX SPOT CRUDE AND PRODUCT SALES

1. DURING RECENT VISIT TO INDIA, CALTEX SALES MANAGER, B.L. COFFEY, NEW YORK, INFORMED RESOURCES ATTACHE OF RECENT CONTRACT CONCLUDED WITH CEYLON PETROLEUM CORPORATION, SRI LANKA, FOR SUPPLY OF CRUDE AT RATE OF 20,000 B/D OF ARABIAN LIGHT AND 7,000 B/D OF IRANIAN LIGHT DURING CURRENT YEAR. SRI LANKA'S 1978 ANNUAL CRUDE REQUIREMENTS ARE ESTIMATED AT 12 MILLION BARRELS (BBL) OR 1.6 MILLION METRIC TONS (MT).

2. VISIT OF CALTEX SALES MANAGER TO INDIA WAS FOLLOW-UP TO POTENTIAL CRUDE AND PRODUCT SALES TO PUBLIC SECTOR INDIAN OIL CORPORATION (IOC).

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PAGE 02 NEW DE 05801 140840Z

CALTEX RECENTLY BID ON IOC GLOBAL TENDER FOR SPOT PURCHASE OF 70,000 MT OF CRUDE TO BE SUPPLIED IN EARLY MAY. ALTHOUGH BIDS ARE TO BE ANNOUNCED SHORTLY, CALTEX INDIAN REP INFORMS US THAT BP QUOTED 10 TO 15 CENTS PER BARREL BELOW OFFICIAL POSTED PRICE. IN ADDITION TO CALTEX AND BP, MOBILE AND THREE BROKERS ALSO BID.

3. CALTEX ALSO INTENDS TO BID ON IOC TENDERS REQUESTS FOR LPG IMPORTS. IOC REQUIREMENTS ARE REPORTEDLY 2,000 MT LPG PER QUARTER. THERE IS SOME TALK OF IMPORTING "SPIKED" CRUDE TO MEET LPG REQUIREMENT BUT PREFERENCE IS SAID TO BE FOR STRAIGHT LPG.

4. SO FAR THIS YEAR (1978) CALTEX HAS SUPPLIED IOC WITH 400,000 BBL OF DIESEL. IN 1977 CALTEX SPOT SALES TO INDIA AMOUNTED TO 1,100,000 BBL ARABIAN LIGHT; 290,000 BBL ARABIAN HEAVY, 1,100,000 BBL IRANIAN LIGHT; 66,000 BBL AVIATION GAS; AND 190,000 BBL KEROSENE.

5. ALTHOUGH CALTEX AGREED IN PRINCIPLE TO SUPPLY GOI CRUDE AT RATE OF 1.25 MILLION MT PER ANNUM FOLLOWING GOI TAKEOVER OF CALTEX INDIA DECEMBER 31, 1976 NEITHER PARTY HAS OFFICIALLY SIGNED AGREEMENT. IN ALL LIKELIHOOD, GOI WILL CONTINUE TO SHOP IN OPEN MARKET FOR CRUDE AND REFINED PRODUCTS TO MEET INTERIM SHORTFALLS AS THEY OCCUR.

6. COFFEY'S ITINERARY CALLS FOR STOPOVER IN PAKISTAN TO NEGOTIATE FURTHER CRUDE SALES, AFTER LEAVING INDIA.
GOHEEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, PETROLEUM PRODUCTS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE05801
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780162-0225
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780455/aaaabuhe.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f19b01b0-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2962795
Secure: OPEN
Status: NATIVE
Subject: CALTEX SPOT CRUDE AND PRODUCT SALES
TAGS: ENRG, CE, IN, PK
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/f19b01b0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014